Furthering Federal Funding
TO BOLSTER OUTCOMES FOR KANSAS KIDS

We know what children need to succeed. Every Kansas child should have high-quality early education, nurturing places and spaces, and routine health care. These investments in the early years create a foundation for growth and development that lasts a lifetime.

However, current Kansas law makes it difficult for children and families to receive these investments. Luckily, with administrative and legislative changes, we can increase access to these tools for success. **Kansas ranks 48th in the federal share of its state budget, ranking above only Hawaii and Virginia.**¹ By increasing its use of federal dollars, the state can be more fiscally responsible by shifting state dollars currently being used unnecessarily to other needed investments. Below, we outline some of the federal funding sources currently used in Kansas. All can be strengthened and employed more efficiently to provide greater assistance to children and families.

**Children participating:** Between 2012-2016, the average number of children eligible each month under Kansas eligibility rules was 122,006.⁵ However, in 2016, the average monthly number of Kansas children receiving child care assistance was 11,214, or only 9 percent of eligible children.⁶

**Economic impact:** For every dollar of federal child care funding, $3.80 of additional economic output is created.⁷

**Lost money:** In FY 2016, Kansas was one of four states that did not provide enough state matching funds to draw down all federal matching funds, losing $4 million in federal dollars,⁸ or 24 percent of its federal matching funds.

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**CHIL%DE CARE AND DEVELOPMENT BLOCK GRANT**

The Child Care and Development Block Grant (CCDBG) is federal funding administered by states. It provides financial assistance for low-income families to attain quality child care, while allowing families to maintain employment or seek higher education.² In addition, the funds also include initiatives to support child care licensing, Quality Rating and Improvement Systems (QRIS), and other quality improvement programs. For fiscal year (FY) 2018, Congress increased funding for CCDBG to $8.1 billion, an increase from FY 2017’s appropriation of $5.8 billion.³

**Amount:** In Fiscal Year 2018, Kansas received $60.6 million dollars from the Child Care and Development Fund, an increase of $19 million from the previous year,⁴ due to the increase in Congressional funding.
Currently not being reached: Only 9 percent of eligible children are participating under Kansas eligibility rules (185 percent of federal poverty level or $47,638 for a Kansas family of four). But Kansas could increase the number of eligible children by increasing eligibility to the federal limit which is 85 percent of the state median income ($68,744 for a Kansas family of four).

Kansas policymakers must ensure that our state meets the requirements needed to access and use all federal funding to which the state is entitled including spending the necessary matching amount of state funds on early childhood education.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The Temporary Assistance for Needy Families (TANF) block grant is designed “to provide temporary financial assistance to poor families, primarily those with no other means to meet basic needs.” In 2011, the governor and legislature implemented a multitude of restrictive changes to the TANF program. As a result, research shows that the majority of families using the program worked before and after accessing TANF, “most found it difficult to find steady work and secure family-sustaining earnings... [And] For those exiting due to work-related sanctions and time limits, TANF policies left these families with children without access to cash assistance that they could draw upon when they hit hard times.” While children living in poverty decreased by 24 percent between 2011 and 2017 (18.8 percent to 14.8 percent), the number of children accessing TANF benefits was cut by two-thirds, with an average monthly enrollment of 24,803 children in 2011, compared to just 8,349 in 2017.

We must do more to ensure that children are not entering a damaged foster care system simply because their parents were denied cash assistance.

Restrictions that deprived families from cash assistance have implications beyond economic stability. A study from the University of Kansas shows a troubling link between access to anti-poverty support for children, TANF, and foster care placement. The research demonstrates that as restrictions increase for anti-poverty programs, more Kansas children enter the foster care system. Right now, more Kansas children are in foster care than receiving TANF benefits. Foster care is much more expensive to the state than TANF benefits. Recent news reports and a class-action lawsuit have raised serious concerns about the Kansas foster care system. We must do more to ensure that children are not entering a damaged foster care system simply because their parents were denied cash assistance.

Amount: In Fiscal Year 2017, Kansas spent $173 million on TANF; $104 million of which were federal dollars and $69 million were state dollars.

State match: States must spend at least 80 percent of its historical spending on families with children living in poverty to fulfill the state maintenance of effort (MOE) requirements.

Children participating: In 2017, the average monthly enrollment of Kansas children receiving TANF cash assistance was 8,349.

Reserves: In Fiscal Year 2018, the budget showed an ending balance of $59.5 million in TANF dollars. While it can be helpful to have some reserves in case of an emergency, these funds could have been used to help meet immediate needs.

Currently not being reached: Due to the harsh impact of the HOPE Act, many families who are eligible under federal regulation are no longer eligible in Kansas. Kansas enacted changes to the application process to make it more difficult, harsher penalties for not meeting work requirements, shorter time limits, and shorter work exemptions of parents of young children.
Kansas uses an overwhelming amount of its TANF funds (85 percent) on activities considered not directly connected to the core purpose of TANF. Although Kansas has implemented harsh work requirements with regard to TANF, few funds are used to support parents finding and maintaining employment. Less than 4 percent of Kansas TANF funding goes to work activities and supports, with another 4 percent going to child care assistance. Nationally, states spend about 30 percent of their TANF dollars on these types of programs to help parents work. Similarly, Kansas spends roughly one-third (8 percent) of the national average (23 percent) on basic assistance.17

In 2016, while half of the states (26) transferred TANF funds to Child Care and Development Fund (CCDF), Kansas transferred none.18

States can “transfer up to 30 percent of TANF funding to CCDF and can spend an unlimited amount of TANF funding directly to help low-income families cover child care expenses.”19 Policymakers should also ensure that a majority of TANF dollars are being used to support core activities and evidence-based programs that are effective in assisting families out of poverty. Programs that are evidence-based should be grounded in best practices, as well as identify metrics and process to measure and ensure successful outcomes. Making child care more affordable helps eliminate barriers to parents’ employment. Affordable child care means parents can participate in the workforce with the reassurance their children are in reliable and predictable child care facilities, making them better employees.20

IN FY2017, KANSAS SPENT 16% OF TANF DOLLARS ON CORE ACTIVITIES, COMPARED WITH THE NATIONAL AVERAGE OF 53%

In Kansas, one in six children struggles with hunger.\textsuperscript{21} The Supplemental Nutrition Assistance Program (SNAP) is a federal program designed to provide temporary food assistance for struggling workers and their families.

- **Amount:** In Fiscal Year 2017, SNAP recipients in Kansas received $318.49 million in benefits.\textsuperscript{22} Average monthly SNAP benefit for each household member: $114.

- **Kansans participating:** 234,000 Kansans participated in the program or 8 percent of the Kansas population.\textsuperscript{23} Nearly three-fourths of Kansas SNAP participants are in families with children.\textsuperscript{24}

- **Economic impact:** It is estimated that “in a weak economy, $1 in SNAP benefits generates $1.70 in economic activity.”\textsuperscript{25} Nearly all (97 percent) of SNAP benefits are spent in the month they are received, with over half (59 percent) being spent in the first week, meaning SNAP funds are going back into the economy almost immediately.\textsuperscript{26}

- **Lost money:** In 2013, Kansas rejected $71,527.88 in federal outreach grants. Since 2013, Kansas has continued to not apply for these outreach grants, which provide up to $75,000 annually.

- **Currently not being reached:** 29 percent of eligible individuals in Kansas do not receive the benefit. If Kansas increased outreach, more Kansans who meet the eligibility requirements would be receiving these federal dollars.\textsuperscript{27}

However, Kansas has not fully maximized these funds. In 2013, the day before the federal grants were to be renewed to five programs in the state, the Kansas Department of Children and Families decided they no longer wanted to accept federal funding for SNAP outreach programs. As a result, they rejected federal grants totaling $71,527.88, which would have been used to help low-income, eligible households apply for SNAP.\textsuperscript{28}

The Kansas Department of Children and Families can strengthen the effectiveness of the SNAP program by applying for USDA funds for SNAP outreach. The decreased outreach resources mean that it is harder of families to learn if they are eligible for and how to participate in the program. In 2015, SNAP only reached 71 percent of the individuals deemed “eligible” for the program.\textsuperscript{29} Without outreach support, families who face unexpected economic challenges may not know they qualify for assistance programs like SNAP, putting children at risk for hunger.

In addition, policymakers can consider SNAP caseload discretion. Currently, able-bodied adults without dependents (ABAWDs) can only receive three months of SNAP within a three-year period. However, Kansas has extra months allotted that can be used at the state’s discretion. Kansas currently does not use these additional hours. However, the state could use them for a population with additional need, for example, children who become legal adults transitioning out of foster care could receive additional months of SNAP benefits.
Healthy parents raise healthy children. Health is essential to communities’ well-being, and early access to health care improves health outcomes. While most Kansas children are healthy, they need routine health care to stay that way, especially in their beginning years. Medicaid is a federal-state partnership that provided health insurance to an average of 238,703 Kansas children every month in 2017.30 KanCare is the state-administered Medicaid program. The Children’s Health Insurance Program (CHIP) provides health insurance to children whose families earn too much money to qualify for Medicaid, but who still have an annual income less than 232 percent of the federal poverty level.31 In 2017, the average monthly CHIP enrollment was 37,853 Kansas children.32

Despite the overwhelming research showing the importance and intersection of infant and maternal health, we know that not all infants and mothers have access to health care in the first year of a baby’s life. While babies are likely covered under KanCare or private insurance, one in 10 new Kansas mothers are uninsured.33 One reason for that 10 percent uninsured rate is that current regulation says mothers eligible for health insurance under KanCare have only 60 days of coverage after the birth of their child. Given the high rates of infant and maternal mortality in the United States and the number of post-natal complications that can develop, limiting new mothers to only 60 days of KanCare coverage doesn’t establish a strong foundation for health and wellbeing of Kansas moms and their infants.34

» **Medicaid Amount:** In FY 2017, Kansas spent a total of $3.43 billion on Medicaid, $1.96 billion from the federal government and $1.47 billion from the state.35

» **CHIP Amount:** In FY 2017, Kansas spent a total of $111.7 million on CHIP, with $8.7 million in state funds and $103 million in federal funds.36

» **Federal match:** Kansas’ federal match rate for Medicaid for all populations is 57.1% in 2019. If Kansas expanded Medicaid, Kansas would receive an increased match rate of 90 percent in 2020 for benefits for expansion population.37

» **Children participating:** In 2017, the average monthly enrollment of children under 19 in Medicaid was 238,703; the average monthly enrollment of children under 19 in CHIP was 37,853.

» **Economic impact:** Medicaid expansion can increase employment, protect rural hospitals from closure, and lead to state budget savings.

» **Lost money:** Since January 1, 2014, Kansas has forfeited more than $3.1 billion in federal funds by its failure to expand KanCare.38 While not all of that money would have benefited children and new mothers specifically, the money would have increased health care access across the state, leading to more economic security for families. In addition, state savings can occur by shifting pregnant, Medicaid eligible mothers from the existing program to KanCare expansion where the federal funds would match more of their health care.

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» **Currently not being reached:** It is estimated that KanCare expansion would provide 39,158 more Kansas children with health care coverage. While KanCare expansion would not change eligibility levels for children, it is likely there would be an increase in enrollment, especially if their parents were now able to enroll in KanCare.39

In Kansas, where KanCare has not been expanded to low-income adults under the Affordable Care Act, new mothers face the coverage gap, where they no longer qualify for continued KanCare enrollment but do not make enough to purchase insurance through the marketplace.40 Expanding KanCare will provide health care to more new mothers and their infants. It also ensures women of child-bearing age receive consistent care before they become pregnant. Research shows that, in 2016, the uninsurance rate for new mothers in nonexpansion states (17.9 percent) is more than 2.5 times the rate in states that have expanded Medicaid (6.8 percent).41

In addition, states that expanded Medicaid also saw a dramatic decrease in infant mortality rates compared with non-expansion states. States that expanded “reduced infant mortality rates more than 50 percent greater than non-expansion states.”42 Currently, Kansas’ infant mortality rate is 6.59 deaths (five-year combined infant mortality per 200 live births in 2017), with Black Kansas babies being more than 2.5 times more likely to die than white babies.43 By expanding KanCare, Kansas policymakers can strengthen outcomes for infants and new mothers.

NEW OPPORTUNITIES:

**Preschool Development Grant Birth through Five (PDG B-5) and Family First Prevention Services Act (FFPSA)**

In 2018, Kansas received a $4.5 million one-year planning grant authorized by the Every Student Succeeds Act to support a planning process on how to improve Kansas’ early childhood programs.44 Kansas will spend the funds to complete a needs assessment, create a strategic plan, maximize parental choice, share best practices, and improve the overall quality of early childhood education programs. This initial work will position the state to apply for the next phase of support which would be a multi-year, multi-million dollar investment to continue its work to strengthen early childhood education. In late 2019, states will have the opportunity to apply for larger, more competitive federal grants to implement the plans developed during the strategic planning process. To renew the grant, states must provide a 30 percent match.

The Family First Prevention Services Act (FFPSA) was signed into a law as part of the Bipartisan Budget Act on February 9, 2018. FFPSA gives states the opportunity to use funds under Title IV-E and Title IV-B of social security to provide services to families in risk of entering the child welfare system. The purpose of the bill is to prevent children from entering the foster care system. Federal funding can be used to reimburse for services such as mental health services, substance use treatment, and in-home parenting skills training. The bill also focuses on the well-being of children who are already in the foster care system by incentivizing states to reduce placement of children in congregate care. The bill also adds restrictions on federal reimbursement for children in non-foster home placements. To receive this additional federal funding, the act entails a 50 percent state match. In the governor’s new budget recommendations, there is $6.9 million from the State General Fund in FY 2020 for Family First Prevention Services.45


